

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1936**  
**102ND GENERAL ASSEMBLY**

4457H.04C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To repeal sections 253.545, 253.550, 253.557, and 253.559, RSMo, and to enact in lieu thereof five new sections relating to facilities of historic significance.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 253.545, 253.550, 253.557, and 253.559, RSMo, are repealed  
2 and five new sections enacted in lieu thereof, to be known as sections 253.544, 253.545,  
3 253.550, 253.557, and 253.559, to read as follows:

**253.544. Sections 253.544 to 253.559 shall be known and may be cited as the**  
2 **"Missouri Historic, Rural Revitalization, and Regulatory Streamlining Act".**

253.545. As used in sections ~~[253.545]~~ **253.544** to 253.559, the following terms  
2 mean, unless the context requires otherwise:

3 (1) **"Applicable percentage":**

4 (a) **For the rehabilitation of a property that receives or intends to receive a state**  
5 **tax credit under sections 135.350 to 135.363, twenty-five percent;**

6 (b) **For the rehabilitation of a property located in a qualifying county approved**  
7 **for a state tax credit and that is not a property that receives or intends to receive a state**  
8 **tax credit under sections 135.350 to 135.363, thirty-five percent; or**

9 (c) **For the rehabilitation of a property not located in a qualifying county**  
10 **approved for a tax credit, twenty-five percent;**

11 (2) **"Certified historic structure", a ~~[property]~~ building located in Missouri and**  
12 **either:**

13 (a) **Listed individually on the National Register of Historic Places; or**

14 (b) **Located in a National Register-listed historic district or a local district that**  
15 **has been certified by the United States Department of the Interior and certified by the**

EXPLANATION — Matter enclosed in bold-faced brackets ~~[thus]~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 **Secretary of the Interior or the state historic preservation office as a contributing**  
17 **resource in the district;**

18 ~~[(2)]~~ **(3) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from**  
19 **a borrower to the lender to satisfy the mortgage debt and avoid foreclosure;**

20 **(4) "Department", the department of economic development;**

21 ~~[(3)]~~ **(5) "Eligible property", property located in Missouri and offered or used for**  
22 **residential or business purposes;**

23 **(6) "Eligible recipient", an individual taxpayer or nonprofit entity incurring**  
24 **expenses in connection with an eligible property;**

25 **(7) "Historic school", any historic school that is a certified historic structure or**  
26 **that is located in a historic district;**

27 **(8) "Historic theater", any historic theater that is a certified historic structure or**  
28 **is located in a historic district;**

29 ~~[(4)]~~ **(9) "Leasehold interest", a lease in an eligible property for a term of not less than**  
30 **thirty years;**

31 ~~[(5)]~~ **(10) "Principal", a managing partner, general partner, or president of a taxpayer;**

32 ~~[(6)]~~ **(11) "Projected net fiscal benefit", the total net fiscal benefit to the state or**  
33 **municipality, less any state or local benefits offered to the taxpayer for a project, as**  
34 **determined by the department of economic development;**

35 ~~[(7)]~~ **(12) "Qualified census tract", a census tract or census block with a poverty rate**  
36 **of twenty percent or higher as determined by a map and listing of census tracts which shall be**  
37 **published by the department [of economic development] and updated on a five-year cycle,**  
38 **and which map and listing shall depict census tracts with twenty percent poverty rate or**  
39 **higher, grouped by census tracts with twenty percent to forty-two percent poverty, and forty-**  
40 **two percent to eighty-one percent poverty as determined by the most current five-year figures**  
41 **published by the American Community Survey conducted by the United States Census**  
42 **Bureau;**

43 **(13) "Qualified rehabilitation standards", the Secretary of the Interior's**  
44 **Standards for Rehabilitation, codified under 36 CFR 67;**

45 **(14) "Qualifying county", any county or portion thereof in this state that is not:**

46 **(a) Within a city with more than four hundred thousand inhabitants and located**  
47 **in more than one county; or**

48 **(b) A city not within a county;**

49 ~~[(8)]~~ **"Structure in a certified historic district", a structure located in Missouri which is**  
50 **certified by the department of natural resources as contributing to the historic significance of**  
51 **a certified historic district listed on the National Register of Historic Places, or a local district**  
52 **that has been certified by the United States Department of the Interior;**

53           ~~(9)~~ **(15)** "Taxpayer", any person, firm, partnership, trust, estate, limited liability  
54 company, or corporation.

253.550. 1. **(1)** Any taxpayer incurring costs and expenses for the rehabilitation of  
2 eligible property, which is a certified historic structure or structure in a certified historic  
3 district, may, subject to the provisions of this section and section 253.559, receive a credit  
4 against the taxes imposed pursuant to chapters 143 and 148, except for sections 143.191 to  
5 143.265, on such taxpayer in an amount equal to twenty-five percent of the total costs and  
6 expenses of rehabilitation incurred after January 1, 1998, which shall include, but not be  
7 limited to, qualified rehabilitation expenditures as defined under Section 47(c)(2)(A) of the  
8 Internal Revenue Code of 1986, as amended, and the related regulations thereunder, provided  
9 the rehabilitation costs associated with rehabilitation and the expenses exceed fifty percent of  
10 the total basis in the property and the rehabilitation meets standards consistent with the  
11 standards of the Secretary of the United States Department of the Interior for rehabilitation as  
12 determined by the state historic preservation officer of the Missouri department of natural  
13 resources.

14           **(2)** Any taxpayer incurring costs and expenses for the rehabilitation of eligible  
15 property that is in a qualifying county and is a certified historic structure shall, subject  
16 to the provisions of this section and section 253.559, receive a credit against the taxes  
17 imposed under chapters 143 and 148, excluding withholding tax imposed under sections  
18 143.191 to 143.265, on such taxpayer in an amount equal to thirty-five percent of the  
19 total costs and expenses of rehabilitation incurred on or after July 1, 2024. Ten percent  
20 of the total costs and expenses of rehabilitation upon which the tax credit is based may  
21 be incurred for investigation assessments and building stabilization before the taxpayer  
22 submits the application for tax credits under sections 253.544 to 253.559. Such total  
23 costs and expenses of rehabilitation shall include, but not be limited to, qualified  
24 rehabilitation expenditures as defined under 26 U.S.C. Section 47(c)(2)(A), as amended,  
25 and related regulations, if:

26           **(a)** Such qualified rehabilitation expenditures exceed fifty percent of the total  
27 basis in the property; and

28           **(b)** The rehabilitation meets the qualified rehabilitation standards of the  
29 Secretary of the United States Department of the Interior for rehabilitation of historic  
30 structures.

31           **(3)** State historic rehabilitation standards shall not be more restrictive than the  
32 Secretary of the Interior's Standards for Rehabilitation set forth under 36 CFR 67.

33           2. (1) ~~[During the period beginning on January 1, 2010, but ending on or after June~~  
34 ~~30, 2010, the department of economic development shall not approve applications for tax~~  
35 ~~credits under the provisions of subsections 4 and 10 of section 253.559 which, in the~~

36 ~~aggregate, exceed seventy million dollars, increased by any amount of tax credits for which~~  
37 ~~approval shall be rescinded under the provisions of section 253.559. For each fiscal year~~  
38 ~~beginning on or after July 1, 2010, but ending before June 30, 2018, the department of~~  
39 ~~economic development shall not approve applications for tax credits under the provisions of~~  
40 ~~subsections 4 and 10 of section 253.559 which, in the aggregate, exceed one hundred forty~~  
41 ~~million dollars, increased by any amount of tax credits for which approval shall be rescinded~~  
42 ~~under the provisions of section 253.559. For each fiscal year beginning on or after July 1,~~  
43 ~~2018,] The department [of economic development] shall not approve applications for tax~~  
44 **credits for properties not located in a qualified census tract** under the provisions of  
45 subsections [4] **6** and [40] **12** of section 253.559 which, in the aggregate, exceed ninety  
46 million dollars, increased by any amount of tax credits for which approval shall be rescinded  
47 under the provisions of section 253.559. The limitations provided under this subsection shall  
48 not apply to applications approved under the provisions of subsection [4] **6** of section 253.559  
49 for projects to receive less than [two] **four** hundred seventy-five thousand dollars in tax  
50 credits, **which number shall be annually adjusted by the percentage increase in the**  
51 **Consumer Price Index for All Urban Consumers, or its successor index, as such index is**  
52 **defined and officially reported by the United States Department of Labor, or its**  
53 **successor agency.**

54 (2) For each fiscal year beginning on or after July 1, 2018, the department shall  
55 authorize an amount up to, but not to exceed, an additional thirty million dollars in tax credits  
56 issued under subsections [4] **6** and [40] **12** of section 253.559, provided that such tax credits  
57 are authorized solely for projects located in a qualified census tract. **Projects that receive**  
58 **preliminary approval that are located within a qualified census tract may receive an**  
59 **authorization of tax credit under either subdivision (1) of this subsection or this**  
60 **subdivision, but such projects shall first be authorized from the tax credit amount in this**  
61 **subdivision before being authorized from the tax credit amount in subdivision (1) of this**  
62 **subsection. The thirty million dollars in tax credits provided in this subdivision shall be**  
63 **annually adjusted by the percentage increase in the Consumer Price Index for All**  
64 **Urban Consumers, or its successor index, as such index is defined and officially reported**  
65 **by the United States Department of Labor, or its successor agency.**

66 (3) For each fiscal year beginning on or after July 1, 2018, if the maximum amount of  
67 tax credits allowed in any fiscal year as provided under subdivisions (1) and (2) of this  
68 subsection is authorized, the maximum amount of tax credits allowed under [subdivision (1)]  
69 **subdivisions (1) and (2)** of this subsection shall be adjusted by the percentage increase in the  
70 Consumer Price Index for All Urban Consumers, or its successor index, as such index is  
71 defined and officially reported by the United States Department of Labor, or its successor  
72 agency. Only one such adjustment shall be made for each instance in which the provisions of

73 this subdivision apply. The director of the department [~~of economic development~~] shall  
74 publish such adjusted amount.

75 3. (1) For all applications for tax credits approved on or after January 1, 2010, no  
76 more than two hundred fifty thousand dollars in tax credits may be issued for eligible costs  
77 and expenses incurred in the rehabilitation of an eligible property [~~which~~] **that** is a  
78 [~~non-income~~] **non-income**-producing, single-family [~~owner-occupied~~] residential property  
79 **occupied by the taxpayer applicant or any relative within the third degree of**  
80 **consanguinity or affinity of such applicant** and **that** is either a certified historic structure or  
81 a structure in a certified historic district.

82 (2) For all applications for tax credits, an amount equal to the applicable  
83 percentage may be issued for eligible costs and expenses incurred in the rehabilitation of  
84 an eligible property that is a non-income-producing, single-family residential property  
85 occupied by the taxpayer applicant or any relative within the third degree of  
86 consanguinity or affinity of such applicant and that is either a certified historic  
87 structure or a structure in a certified historic district. For properties not located in a  
88 qualifying county, tax credits shall not be issued under this subdivision unless the  
89 property is located in a distressed community, as defined under section 135.530.

90 4. The limitations on tax credit authorization provided under the provisions of  
91 subsection 2 of this section shall not apply to:

92 (1) Any application submitted by a taxpayer, which has received approval from the  
93 department prior to October 1, 2018; or

94 (2) Any taxpayer applying for tax credits, provided under this section, which, on or  
95 before October 1, 2018, has filed an application with the department evidencing that such  
96 taxpayer:

97 (a) Has incurred costs and expenses for an eligible property which exceed the lesser  
98 of five percent of the total project costs or one million dollars and received an approved Part I  
99 from the Secretary of the United States Department of Interior; or

100 (b) Has received certification, by the state historic preservation officer, that the  
101 rehabilitation plan meets the **qualified rehabilitation** standards [~~consistent with the standards~~  
102 ~~of the Secretary of the United States Department of the Interior~~], and the rehabilitation costs  
103 and expenses associated with such rehabilitation shall exceed fifty percent of the total basis in  
104 the property.

105 5. A single-resource certified historic structure of more than one million gross  
106 square feet with a Part I approval or on the National Register before January 1, 2024,  
107 shall not be subject to the dollar caps under subsection 2 of section 253.550 if:

108 (1) The project otherwise meets all the requirements of this section;

109           **(2) The project meets the ten percent incurred costs test under subsection 10 of**  
110 **section 253.559 within thirty-six months after an award is issued; and**

111           **(3) The taxpayer agrees with the department of economic development, on a**  
112 **form prescribed by the department, to claim the original "state historical tax credits"**  
113 **over three state fiscal years with the initial year being the calendar year when the tax**  
114 **credits are issued.**

253.557. 1. If the amount of such credit exceeds the total tax liability for the year in  
2 which the rehabilitated property is placed in service, the amount that exceeds the state tax  
3 liability may be carried back to any of the three preceding years and carried forward for credit  
4 against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections  
5 143.191 to 143.265 for the succeeding ten years, or until the full credit is used, whichever  
6 occurs first. Not-for-profit entities[;] including, but not limited to, corporations organized as  
7 not-for-profit corporations pursuant to chapter 355 shall be ~~ineligible~~ **eligible** for the tax  
8 credits authorized under sections ~~[253.545 through 253.561]~~ **253.544 to 253.559**. Taxpayers  
9 eligible for ~~[such]~~ tax credits may transfer, sell, or assign the credits. Credits granted to a  
10 partnership, a limited liability company taxed as a partnership, or multiple owners of property  
11 shall be passed through to the partners, members, or owners respectively pro rata or pursuant  
12 to an executed agreement among the partners, members, or owners documenting an alternate  
13 distribution method.

14           2. The assignee of the tax credits, hereinafter the assignee for purposes of this  
15 subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities  
16 otherwise imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to  
17 143.265. The assignor shall perfect such transfer by notifying the department ~~[of economic~~  
18 ~~development]~~ in writing within thirty calendar days following the effective date of the  
19 transfer and shall provide any information as may be required by the department ~~[of economic~~  
20 ~~development]~~ to administer and carry out the provisions of this section.

253.559. 1. To obtain approval for tax credits allowed under sections ~~[253.545]~~  
2 **253.544** to 253.559, a taxpayer shall submit an application for tax credits to the department  
3 ~~[of economic development]~~. **The department shall establish an application cycle that**  
4 **allows for year-round submission and year-round receipt and review of such**  
5 **applications.** Each application for approval, including any applications received for  
6 supplemental allocations of tax credits as provided under subsection ~~[40]~~ **12** of this section,  
7 shall be prioritized for review and approval, in the order of the date on which the application  
8 was postmarked, with the oldest postmarked date receiving priority. Applications postmarked  
9 on the same day shall go through a lottery process to determine the order in which such  
10 applications shall be reviewed.

11           2. Each application shall be reviewed by the department [~~of economic development~~]  
12 for approval. In order to receive approval, an application, other than applications submitted  
13 under the provisions of subsection [~~10~~] **12** of this section, shall include:

14           (1) Proof of ownership or site control. Proof of ownership shall include evidence that  
15 the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a  
16 [~~closing statement~~] **county assessor record as proof of ownership**. Proof of site control  
17 may be evidenced by a leasehold interest or an option to acquire such an interest. If the  
18 taxpayer is in the process of acquiring fee simple ownership, proof of site control shall  
19 include an executed sales contract or an executed option to purchase the eligible property;

20           (2) Floor plans of the existing structure, architectural plans, and, where applicable,  
21 plans of the proposed alterations to the structure, as well as proposed additions;

22           (3) The estimated cost of rehabilitation, the anticipated total costs of the project, the  
23 actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total  
24 labor costs, the estimated project start date, and the estimated project completion date;

25           (4) Proof that the property is an eligible property and a certified historic structure or a  
26 structure in a certified historic district **or part 1 of a federal application or a draft national**  
27 **register of historic places nomination has been submitted to the state historic**  
28 **preservation office. In such instances, the application may proceed as a preliminary**  
29 **application concurrent with the associated federal process for nomination to the**  
30 **National Register of Historic Places;**

31           (5) A copy of [~~all~~] land use [~~and building approvals reasonably necessary for the~~  
32 ~~commencement of the project~~] **plans**; and

33           (6) Any other information [~~which~~] the department [~~of economic development~~] may  
34 reasonably require to review the project for approval.

35

36 Only the property for which a property address is provided in the application shall be  
37 reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request  
38 the review of another property for approval in the place of the property contained in such  
39 application. Any disapproved application shall be removed from the review process. If an  
40 application is removed from the review process, the department [~~of economic development~~]  
41 shall notify the taxpayer in writing of the decision to remove such application. Disapproved  
42 applications shall lose priority in the review process. A disapproved application, which is  
43 removed from the review process, may be resubmitted, but shall be deemed to be a new  
44 submission for purposes of the priority procedures described in this section.

45           3. (1) In evaluating an application for tax credits submitted under this section, the  
46 department [~~of economic development~~] shall also consider:

47 (a) The amount of projected net fiscal benefit of the project to the state and local  
48 municipality~~], and the period in which the state and municipality would realize such net fiscal~~  
49 ~~benefit]~~ **as calculated based on reasonable methods;**

50 (b) The overall size and quality of the proposed project, including, **but not limited**  
51 **to:**

52 a. The estimated number of new jobs **or housing units, or both**, to be created by the  
53 project~~];~~

54 b. **The estimated number of construction jobs and professional jobs associated**  
55 **with the project that are included in total project costs;**

56 c. **Capital improvements created by a project and the potential of future**  
57 **community investments and improvements;**

58 d. **Increased revenues from sales or property taxes;**

59 e. The potential multiplier effect of the project~~];~~ and

60 f. **Other similar factors; and**

61 (c) ~~[The level of economic distress in the area; and~~

62 ~~(d)]~~ Input from the local elected officials in the local municipality in which the  
63 proposed project is located as to the importance of the proposed project to the municipality.  
64 ~~[For any proposed project in any city not within a county, input from the local elected~~  
65 ~~officials shall include, but shall not be limited to, the president of the board of aldermen.]~~

66 (2) The provisions of this subsection shall not apply to **historic schools or theaters**  
67 **or** applications for projects to receive less than ~~[two]~~ **four** hundred seventy-five thousand  
68 dollars in tax credits, **which number shall be annually adjusted by the percentage**  
69 **increase in the Consumer Price Index for All Urban Consumers, or its successor index,**  
70 **as such index is defined and officially reported by the United States Department of**  
71 **Labor, or its successor agency.**

72 **4. (1) The department shall promptly notify the state historic preservation office**  
73 **of each preliminary application for tax credits. After receipt of such notice, the state**  
74 **historic preservation office shall determine whether a rehabilitation satisfies the**  
75 **qualified rehabilitation standards within sixty days of a taxpayer filing an initial**  
76 **application for tax credits. The determination shall be based upon evidence that the**  
77 **rehabilitation will meet qualified rehabilitation standards, and that evidence shall**  
78 **consist of one of the following:**

79 (a) **Preliminary approval by the state historic preservation office; or**

80 (b) **An approved part 2 of the federal application, which the state historic**  
81 **preservation office shall forward directly to the department without any additional**  
82 **review by such office.**



83           **(2) If the state historic preservation office approves the application for tax**  
84 **credits within the sixty-day determination period established in subdivision (1) of this**  
85 **subsection, such office shall forward the application with any review comments to the**  
86 **National Park Service and shall forward any such review comments to the applicant. If**  
87 **such office fails to approve the application within the sixty-day determination period,**  
88 **such office shall forward the application without any comments to the National Park**  
89 **Service and shall have no further opportunity to submit any comments on such**  
90 **application.**

91           **(3) Conditions on a state preliminary application or on part 2 of a federal**  
92 **application shall not delay preliminary state approval but shall be addressed by the**  
93 **applicant for final approval of such application.**

94           **(4) Any application for state tax credits that does not include an application for**  
95 **federal tax credits or a nomination to the federal National Register of Historic Places**  
96 **shall be reviewed by the state historic preservation office within sixty days of a notice**  
97 **received under subdivision (1) of this subsection.**

98           **(5) (a) An application for state tax credits may provide information indicating**  
99 **that the project is a phased rehabilitation project as described under 26 U.S.C. Section**  
100 **47, as amended. Such application for a phased rehabilitation project shall include at**  
101 **least the following:**

102           **a. A schedule of the phases of the project with a beginning and end date for each**  
103 **phase and the expected costs for the whole project. The applicant may submit detailed**  
104 **plans for the project at a later time within the application process;**

105           **b. The adjusted total basis of such project, which shall be submitted with the**  
106 **schedule of phases of the project; and**

107           **c. A statement that the applicant agrees to begin each phase of such project**  
108 **within twelve months of the start date for such phase listed in the schedule of the phases.**

109           **(b) The applicant may submit a preliminary certification of costs upon the**  
110 **completion of each phase of the project.**

111           **(c) Upon approval of the cost certification submitted and the work completed on**  
112 **each phase of such project, the department shall issue eighty percent of the amount of**  
113 **the state tax credit for which the taxpayer is approved under this section. The**  
114 **remaining twenty percent of the amount of the state tax credit for which the taxpayer is**  
115 **approved under this section shall be issued upon the final approval of the project under**  
116 **this section.**

117           **(6) If the department determines that the amount of tax credits issued to a**  
118 **taxpayer under subdivision (5) of this subsection is in excess of the total amount of tax**

119 **credits such taxpayer is eligible to receive, the department shall notify such taxpayer,**  
120 **and such taxpayer shall repay the department an amount equal to such excess.**

121 ~~[4.]~~ **5.** If the department ~~[of economic development]~~ deems the application sufficient,  
122 the taxpayer shall be notified in writing of the approval for an amount of tax credits equal to  
123 the amount provided under section 253.550 less any amount of tax credits previously  
124 approved. Such approvals shall be granted to applications in the order of priority established  
125 under this section and shall require full compliance thereafter with all other requirements of  
126 law as a condition to any claim for such credits. If the department ~~[of economic~~  
127 ~~development]~~ disapproves an application, the taxpayer shall be notified in writing of the  
128 reasons for such disapproval. A disapproved application may be resubmitted. **If the scope of**  
129 **a project for which an application has been approved under this section materially**  
130 **changes, the taxpayer shall be eligible to receive additional tax credits in the year in**  
131 **which the department is notified of and approves of such change in scope, subject to the**  
132 **provisions of subsection 2 of section 253.550 and subsection 7 of this section, if**  
133 **applicable; however, if such project was originally approved prior to August 28, 2018,**  
134 **the department shall evaluate the change in scope of the project under the criteria in**  
135 **effect prior to such date. A change in project scope shall be considered material under**  
136 **this subsection if:**

137 **(1) The project was not previously subject to a material change in scope for**  
138 **which additional tax credits were approved; and**

139 **(2) The requested amount of tax credits for the project after the change in scope**  
140 **is higher than the originally approved amount of tax credits.**

141 ~~[5.]~~ **6.** Following approval of an application, the identity of the taxpayer contained in  
142 such application shall not be modified except:

143 **(1) The taxpayer may add partners, members, or shareholders as part of the ownership**  
144 **structure, so long as the principal remains ~~[the same]~~ a principal of the taxpayer, provided**  
145 **however, that subsequent to the commencement of renovation and the expenditure of at least**  
146 **ten percent of the proposed rehabilitation budget, removal of the principal for failure to**  
147 **perform duties and the appointment of a new principal thereafter shall not constitute a change**  
148 **of the principal; or**

149 **(2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of**  
150 **a foreclosure or voluntary conveyance, or a transfer in bankruptcy.**

151 ~~[6.]~~ **7.** In the event that the department ~~[of economic development]~~ grants approval  
152 for tax credits equal to the total amount available **or authorized, as applicable,** under  
153 subsection 2 of section 253.550, or sufficient that when totaled with all other approvals, the  
154 amount available **or authorized, as applicable,** under subsection 2 of section 253.550 is  
155 exhausted, all taxpayers with applications then awaiting approval or thereafter submitted for

156 approval shall be notified by the department [~~of economic development~~] that no additional  
157 approvals shall be granted during the fiscal year and shall be notified of the priority given to  
158 such taxpayer's application then awaiting approval. Such applications shall be kept on file by  
159 the department [~~of economic development~~] and shall be considered for approval for tax  
160 credits in the order established in this section in the event that additional credits become  
161 available due to the rescission of approvals or when a new fiscal year's allocation of credits  
162 becomes available for approval **or authorized, as applicable.**

163 ~~[7-]~~ **8.** All taxpayers with applications receiving approval on or after July 1, 2019,  
164 shall submit within ~~[sixty]~~ **one hundred twenty** days following the award of credits evidence  
165 of the capacity of the applicant to finance the costs and expenses for the rehabilitation of the  
166 eligible property in the form of a line of credit or letter of commitment subject to the lender's  
167 termination for a material adverse change impacting the extension of credit. If the department  
168 [~~of economic development~~] determines that a taxpayer has failed to comply with the  
169 requirements under this subsection, then the department shall notify the applicant of such  
170 failure and the applicant shall have a thirty-day period from the date of such notice to submit  
171 additional evidence to remedy the failure.

172 ~~[8-]~~ **9.** All taxpayers with applications receiving approval on or after the effective date  
173 of this act shall commence rehabilitation within ~~[nine]~~ **twenty-four** months of the date of  
174 issuance of the letter from the department [~~of economic development~~] granting the approval  
175 for tax credits. "Commencement of rehabilitation" shall mean that as of the date in which  
176 actual physical work, contemplated by the architectural plans submitted with the application,  
177 has begun, the taxpayer has incurred no less than ten percent of the estimated costs of  
178 rehabilitation provided in the application. Taxpayers with approval of a project shall submit  
179 evidence of compliance with the provisions of this subsection. **Taxpayers shall notify the**  
180 **department of any loss of site control or of any failure to exercise any option to obtain**  
181 **site control within the prescribed time period within ten days of such loss or failure.** If  
182 the department [~~of economic development~~] determines that a taxpayer has **lost or failed to**  
183 **obtain site control of the eligible property or otherwise** failed to comply with the  
184 requirements provided under this section, the approval for the amount of tax credits for such  
185 taxpayer shall be rescinded [~~and such amount of tax credits~~]. **A taxpayer may voluntarily**  
186 **forfeit such approval at any time by written notice to the department. Any approval**  
187 **rescinded or forfeited under this subsection** shall then be included in the total amount of  
188 tax credits **available in the year of such rescission or forfeiture**, provided under subsection  
189 2 of section 253.550, from which approvals may be granted. Any taxpayer whose approval  
190 [~~shall be subject to rescission~~] **is rescinded or forfeited under this subsection** shall be  
191 notified of such from the department [~~of economic development~~] and, upon receipt of such  
192 notice, may submit a new application for the project. **If a taxpayer's approval is rescinded**

193 **or forfeited under this subsection and such taxpayer later submits a new application for**  
194 **the same project, any expenditures eligible for tax credits under section 253.550 that are**  
195 **incurred by such taxpayer from and after the date of the rescinded or forfeited approval**  
196 **shall remain eligible expenditures for the purposes of determining the amount of tax**  
197 **credits that may be approved under section 253.550.**

198 ~~[9-]~~ **10. (1) (a)** To claim the credit authorized under sections ~~[253.550]~~ **253.544** to  
199 **253.559**, a taxpayer with approval shall apply for final approval and issuance of tax credits  
200 from the department ~~[of economic development]~~, which~~;~~ ~~in consultation with the department~~  
201 ~~of natural resources;~~ shall determine the final amount of eligible rehabilitation costs and  
202 expenses and whether the completed rehabilitation meets the **qualified rehabilitation**  
203 standards ~~[of the Secretary of the United States Department of the Interior for rehabilitation as~~  
204 ~~determined by the state historic preservation officer of the Missouri department of natural~~  
205 ~~resources]~~.

206 **(b) Evidence that the completed rehabilitation meets the qualified rehabilitation**  
207 **standards shall be shown by one of the following:**

208 **a. Final approval by the state historic preservation office; or**

209 **b. An approved part 3 of the federal application.**

210 **(c) The state historic preservation office shall review each final application**  
211 **within sixty days and then forward the application to the National Park Service and**  
212 **send copies of any review comments to the applicant. If the state historic preservation**  
213 **office fails to review the application within sixty days, the application shall be forwarded**  
214 **without comments to the National Park Service and the state historic preservation office**  
215 **shall have no further opportunity to submit comments on such application.**

216 **(d) An award of tax credits under sections 253.544 to 253.559 shall be contingent**  
217 **on and awarded upon the listing of such eligible property on the National Register of**  
218 **Historic Places.**

219 **(2) Within one hundred twenty days of the department's receipt of all materials**  
220 **required by the department for an application for final approval and issuance of tax**  
221 **credits, which shall include a state approval by the state historic preservation office or**  
222 **an approved part 3 of the federal application for projects receiving federal**  
223 **rehabilitation credits, the department shall issue to the taxpayer tax credit certificates**  
224 **in the amount of seventy-five percent of the lesser of:**

225 **(a) The total amount of the tax credits for which the taxpayer is eligible as**  
226 **provided in the taxpayer's certification of qualified expenses submitted with an**  
227 **application for final approval; or**

228           **(b) The total amount of tax credits approved for such project under subsection 3**  
229 **of this section, including any amounts approved in connection with a material change in**  
230 **the scope of the project.**

231           **(3) Within one hundred twenty days of the department's receipt of all materials**  
232 **required by the department for an application of final approval and issuance of tax**  
233 **credits for a project, the department shall, unless such project is under appeal under**  
234 **subsection 14 of this section:**

235           **(a) Make a final determination of the total costs and expenses of rehabilitation**  
236 **and the amount of tax credits to be issued for such costs and expenses;**

237           **(b) Notify the taxpayer in writing of its final determination; and**

238           **(c) Issue to the taxpayer tax credit certificates in an amount equal to the**  
239 **remaining amount of tax credits such taxpayer is eligible to receive, as determined by**  
240 **the department, but was not issued in the initial tax credit issuance under subdivision**  
241 **(2) of this subsection.**

242           **(4) If the department determines that the amount of tax credits issued to a**  
243 **taxpayer in the initial tax credit issuance under subdivision (2) of this subsection is in**  
244 **excess of the total amount of tax credits such taxpayer is eligible to receive, the**  
245 **department shall notify such taxpayer, and such taxpayer shall repay the department an**  
246 **amount equal to such excess.**

247           **(5) For financial institutions credits authorized pursuant to sections [253.550 to**  
248 **253.561] 253.544 to 253.559 shall be deemed to be economic development credits for**  
249 **purposes of section 148.064. The approval of all applications and the issuing of certificates of**  
250 **eligible credits to taxpayers shall be performed by the department [of economic**  
251 **development]. The department [of economic development] shall inform a taxpayer of**  
252 **final approval by letter and shall issue, to the taxpayer, tax credit certificates. The taxpayer**  
253 **shall attach the certificate to all Missouri income tax returns on which the credit is claimed.**

254           **[40.] 11. Except as expressly provided in this subsection, tax credit certificates shall**  
255 **be issued in the final year that costs and expenses of rehabilitation of the project are incurred,**  
256 **or within the twelve-month period immediately following the conclusion of such**  
257 **rehabilitation. In the event the amount of eligible rehabilitation costs and expenses**  
258 **incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the**  
259 **amount provided under such taxpayer's approval granted under subsection [4] 6 of this**  
260 **section, such taxpayer may apply to the department for issuance of tax credits in an amount**  
261 **equal to such excess. Applications for issuance of tax credits in excess of the amount**  
262 **provided under a taxpayer's application shall be made on a form prescribed by the**  
263 **department. Such applications shall be subject to all provisions regarding priority provided**  
264 **under subsection 1 of this section.**

265 ~~[11.]~~ 12. The department ~~[of economic development]~~ shall determine, on an annual  
266 basis, the overall economic impact to the state from the rehabilitation of eligible property.

267 13. (1) With regard to an application submitted under sections 253.544 to  
268 253.559, an applicant or an applicant's duly authorized representative may appeal any  
269 official decision, including all preliminary or final approvals, denials of approvals, or  
270 dollar amounts of issued tax credits, made by the department of economic development  
271 or the state historic preservation office. Such an appeal shall constitute an  
272 administrative review of the decision and shall not be conducted as an adjudicative  
273 proceeding.

274 (2) The department shall establish an equitable appeals process.

275 (3) The appeals process shall incorporate an independent review panel consisting  
276 of members of the private sector and the department.

277 (4) The department shall name an independent appeals officer as chair.

278 (5) An appeal shall be submitted to the designated appeals officer or review  
279 panel in writing within thirty days of receipt by the applicant or the applicant's duly  
280 authorized representative of the decision that is the subject of the appeal and shall  
281 include all information the appellant wishes the appeals officer or review panel to  
282 consider in deciding the appeal.

283 (6) Within fourteen days of receipt of an appeal, the appeals officer or review  
284 panel shall notify the department of economic development or the state historic  
285 preservation office that an appeal is pending, identify the decision being appealed, and  
286 forward a copy of the information submitted by the appellant. The department of  
287 economic development or the state historic preservation office may submit a written  
288 response to the appeal within thirty days.

289 (7) The appellant shall be entitled to one meeting with the appeals officer or  
290 review panel to discuss the appeal, and the appeals officer or review panel may schedule  
291 additional meetings at the officer's or panel's discretion. The department of economic  
292 development or the state historic preservation office may appear at any such meeting.

293 (8) The appeals officer or review panel shall consider the record of the decision  
294 in question; any further written submissions by the appellant, department of economic  
295 development, or state historic preservation office; and other available information and  
296 shall deliver a written decision to all parties as promptly as circumstances permit but no  
297 later than ninety days after the initial receipt of an appeal by the appeals officer or  
298 review panel.

299           **(9) The appeals officer and the members of the review panel shall serve without**  
300 **compensation.**

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